



United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050



John R. Baza, P.E., Director
Department of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple
Suite 1210, P.O. Box 145801
Salt Lake City, UT 84114-5801

14 OCT 2010

Re: Phase II and III Bond Release, Energy West Mining, Cottonwood/Wilberg Mine,
Cottonwood Fan Portal, Miller Canyon Portals, Task IDs #3594, #3600

Dear Mr. Baza,

This letter acknowledges the Office of Surface Mining's (OSM) receipt and review of the above Phase II and III Bond Release Decision Document. OSM's Denver Field Division (DFD) agrees with the findings in the decision and hereby provides OSM concurrence for this bond release action in accordance with 30 CFR 740.15(d) and 30 CFR 944.30, Article IX, of the State-Federal Cooperative Agreement.

Energy West Mining (EWM) applied for Phase II and III bond release on 7.46 acres for the Cottonwood / Wilberg Fan Portal area and 0.02 acres for the Miller Canyon Portals. The application requested release of \$109,791.00 for the Cottonwood Fan Portal area. No reduction in bond amount was requested for the Miller Canyon Portals. The Division of Oil, Gas and Mining (DOGM) has determined that the remaining \$3,142,209.00 bond would be sufficient to cover the costs of performing the remaining reclamation obligations in the event of bond forfeiture.

OSM has reviewed EWM's July 14, 2010 and July 30, 2010 submittals as well as the DOGM inspection report, public and landowner notifications, and DOGM's Decision Document. Additionally, OSM participated in the August 31, 2010 bond release inspection. No issues or deficiencies were identified with this bond release action through the public and landowner notification, administrative review, or inspection processes.

DOGM finds, in its Decision Document, that EWM has completed all Phase II and III requirements for these areas as required by the Utah Coal Mining Rules at R645-301-880. The BLM has concurred with this decision by letters dated September 16, 2010. OSM concurs with the findings in DOGM's Phase II and III bond release decision document.

Please direct any questions regarding this action to Christine Belka, Environmental Protection Specialist, at cbelka@osmre.gov or (303) 293-5020.

Sincerely,

James F. Fulton
James F. Fulton, Chief
Denver Field Division

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